

FAR EASTERN ECONOMIC REVIEW

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Commercial and Economic Issues in Hongkong

The Hong Kong Government has recently issued a series of orders and regulations which are of considerable importance to the commerce and industry of the colony. These measures are designed to bring about a more efficient and organized system of trade and industry, and to ensure that the interests of the community as a whole are protected.

The first of these measures is the issue of a new set of regulations governing the operation of the harbor. These regulations are designed to ensure that the harbor is kept clear of obstructions, and that the interests of the shipping industry are protected. The second measure is the issue of a new set of regulations governing the operation of the markets. These regulations are designed to ensure that the markets are kept open and that the interests of the trading community are protected.

The third measure is the issue of a new set of regulations governing the operation of the banks. These regulations are designed to ensure that the banks are kept sound and that the interests of the banking community are protected. The fourth measure is the issue of a new set of regulations governing the operation of the insurance companies. These regulations are designed to ensure that the insurance companies are kept sound and that the interests of the insurance community are protected. The fifth measure is the issue of a new set of regulations governing the operation of the stock exchange. These regulations are designed to ensure that the stock exchange is kept open and that the interests of the trading community are protected.

The sixth measure is the issue of a new set of regulations governing the operation of the public utilities. These regulations are designed to ensure that the public utilities are kept open and that the interests of the community as a whole are protected. The seventh measure is the issue of a new set of regulations governing the operation of the public health services. These regulations are designed to ensure that the public health services are kept open and that the interests of the community as a whole are protected.

The eighth measure is the issue of a new set of regulations governing the operation of the public works department. These regulations are designed to ensure that the public works department is kept open and that the interests of the community as a whole are protected. The ninth measure is the issue of a new set of regulations governing the operation of the public works department. These regulations are designed to ensure that the public works department is kept open and that the interests of the community as a whole are protected. The tenth measure is the issue of a new set of regulations governing the operation of the public works department. These regulations are designed to ensure that the public works department is kept open and that the interests of the community as a whole are protected.

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Constitutional and Economic Issues in Hongkong

The issue raised by the proposed tax on earnings and profits, which is in effect an income tax, in Hongkong has coincided with the declared intention of His Majesty's Government to give the residents of the Colony a fuller and more responsible share in the management of their own affairs through the establishment of a Municipal Council and the modification of the Legislative Council to give a majority of one in favour of the unofficial members.

As a result the income tax issue has not been discussed entirely on its merits. The traditional constitutional cries have been invoked and not altogether without cause. The issue was confused by the realisation that it was intended to pass an Ordinance to apply the tax from the beginning of April this year without adequate opportunity for examining its provisions and a suspicion that the measure was being pressed at the dictation of Downing Street.

Popular feeling is not always just or well informed. The proposal originated in the recommendation of a specially appointed Taxation Committee which was set up in September, 1946, in view of the urgent need for revenue to secure as large a degree as possible of independence from H.M. Treasury in the United Kingdom. In December 1946 the Committee reported that the imposition of a tax on incomes would theoretically result in the most equitable distribution of the burden of taxation, and was inevitable here if the budget of the Colony was to be balanced and if Hongkong was to conform to the standards generally to be expected in the middle of the 20th Century. Evidently the only doubt the Committee had in advising the imposition of the tax was that in practice it would fall heaviest on salaried employees of foreign firms and foreign companies that keep their accounts in English whilst it would be difficult to assess the preponderating Chinese population or to collect the tax thereon without extensive evasion. This doubt is a real one and affects one of the principal canons of taxation—uniformity of incidence. It is therefore not unnatural that other forms of taxation implying a more uniform incidence are being strongly advocated—a poll tax, an import tax, a sales or purchase tax, and a state lottery.

It appears likely that the new Bill will ultimately be passed, but it is hoped not without critical examination and considerable revision. Government has very wisely referred the Bill to the Taxation Committee who having advocated the measure in principle should

have an opportunity to express their views on the draft provisions. It is seriously submitted, however, and with due respect, that neither the Taxation Committee nor the Executive and Legislative Councils can without the aid of experts in taxation and careful study satisfy themselves that the interests of the public have been properly safeguarded. The Taxation Committee considered it essential that in order to meet local conditions any income tax legislation must be as simple as possible and that the new measure as a complete new Bill could not be passed in time to collect tax for 1947 an adaptation of the War Revenue Ordinance 1941 would in the meantime suffice.

The New Bill is certainly not simple; it is very complicated. Although it is largely based on the War Revenue Ordinance 1941 which was in force for a short time in 1941, it is in reality a combination of parts of the 1941 Ordinance, the Colonial Model Income Tax Ordinance and the United Kingdom Income Tax Act 1945. Selections from all three have been trimmed and modified to fit together, but there is considerable inconsistency and ambiguity. The Ordinance is to be entitled Inland Revenue Ordinance, and is described as a tax on earnings and profits, but as the three basic models had different objects, those responsible for drafting the Bill have not succeeded in welding the pieces together for the real purpose of the Bill. In places it does not seem clear whether the tax is to be on profits or on income, and additions have been grafted to the Bill which gives the local Commissioner power and discretion which his counterpart in England does not possess. Though the time is short Government should in justice submit the Bill to a small committee of experts to examine in detail with a view to securing as much consistency and simplification as possible.

The present financial position of Hongkong does not disclose any need for a higher standard rate than about 12½% or at the most 15% and the introduction of the United Kingdom Surtax seems unnecessary and inconsistent with the general idea and scope of the Bill. The exemption limit might well be raised from HK\$5,000 to HK\$7,500. With the present inadequate machinery for the collection of the tax and in view of the empirical nature of the present Bill over-elaboration and over-stringency might at present defeat the main object.

The Taxation Committee struck one note which it is well for the Colony to

bear in mind—that Hongkong should conform with the standards generally expected in the middle of the 20th Century. The alignment of the different parts of the Empire with changing times has been traditionally the role of the imperial Parliament which has to bring up its variegated colonies and dependencies with some consciousness of unity and uniformity of development. This has been the case from the Slavery Abolition Act in the nineteenth century down to the Colonial Development and the Welfare Acts of 1940 and 1945. Since 1918 in particular there has been a growing necessity for the initiation of colonial legislation. Modern developments, social, economic and political, have necessitated the enforcement of international labour, financial and traffic conventions. It has been necessary to draft and circulate model ordinances to give effect to agreements on tariff and air navigation and emergency and defence measures and a multitude of matters that cannot be left to the care of individual colonies. A certain degree of dressing and alignment is inevitable. The declared policy of the Home Government, however, is to give assistance and guidance, coordination but not regimentation. Nevertheless the balance between the undue extension of imperial initiation of policy and local interests especially in matters of finance must be preserved by the policy hitherto followed of obtaining the antecedent concurrence of public opinion rather than by disallowance of a measure once passed. In this way a draft Ordinance from the Colonial Office to extend trade union legislation has been opposed by certain colonial governments as premature and unwise in local circumstances and income tax legislation was held up in East and West Africa for twenty years.

Recently a Colonial Economic and Development Council was appointed by the Secretary of State for the Colonies to advise on plans for economic and social development and the financial policy of the Colonial Empire. There are signs of the wish of the Home Government to foster the principles of trade unionism as developed in England on a Chinese population which has had its own trade guilds and unions in an advanced state centuries before their development in the West. The present status of trade unions in the setting of the political structure at home is a very different thing from that of labour associations which are prey to external political influence as well as to unscrupulous racketeers in this part of the world. There is therefore great need of caution and consultation with local opinion before the social products of the West should be imposed as equally suitable for the East.

Where colonies, however, receive financial aid from the imperial Parliament it is only natural that they should be asked to toe the line and conform to general policy. In order therefore that public opinion may be heard to the best purpose, it must support the financial independence of the Colony. Hongkong in spite of having been invaded and occupied by the enemy must make the utmost sacrifice to maintain its financial independence so long as the sacrifice is kept within limits which will not upset the narrow margin necessary to its existence as a trade entrepot.

This Bill is probably only one of the precursors of many in which we shall be asked to follow a Home Government pattern. The pattern must, however, be moulded to local needs and public opinion must have a reasonable opportunity of expression. The principle involved was affirmed in 1939 by Mr. Malcolm MacDonald in a statement of policy in connection with the Colonial Development and Welfare Bill.

"From London there will be assistance and guidance, but no spirit of dictation. The new policy of development will involve no derogation from the rights and privileges of local legislatures, upon whom rests a large measure of responsibility for the improvement of conditions in their several territories and upon whose co-operation the Government count with confidence. . . . The whole effort will be one of collaboration between the authorities in the Colonies and these at home; there must be ready recognition that conditions vary greatly from Colony to Colony, and the Colonial Governments, who best know the needs of their own territories, should enjoy a wide latitude in the initiation and execution of policies."

Japanese Textile Industry

Large American shipments of raw cotton have kept arriving in Japan and continuous supplies for the cotton industry of Japan are assured for the current year. The early allocation of U.S. loans for financing of American imports, mostly foodstuffs and industrial raw materials, for the purpose of a quicker rehabilitation of Japanese light industries is expected in Tokyo. SCAP has expressed itself very much in favour of an American financial policy supporting the Japanese industrial rehabilitation, and Washington has endorsed Gen. MacArthur's views to a large extent.

The recent progress in Japan's silk and rayon industry (compare our issue March 12, page 135), the woollen and worsted industry (our issue Feb. 29, page 109) and general advance in production for exports during 1947 (our issue Feb. 29, page 108) have exceeded earlier estimates.

While supplies of raw cotton are assured, the supply of raw wool is at present the subject of negotiations between SCAP, the Japanese Govt. and representatives of Australia. It appears that the Australian request for cash payments to be made by Japan in return for wool shipments from Australia does not find the approval of SCAP whose overall economic policy for Japan is the bartering of commodities, capital goods and raw materials as far as possible, with the ultimate objective of building up an increasing export surplus of Japan in her trade with the world. In case of negotiations with Australia ending without a success, the wool supply requirements of the Japanese woollen and worsted industry would become another burden on America. However, to judge by the determination of SCAP's economic rehabilitation policy for Japan, the Japanese woollen industry will certainly operate in 1947 as was outlined in our issue Feb. 29 (page 109) where the amount of spindles, wool consumption, plans for 1947 etc. were given.

Introduction of Income Tax in Hongkong

Reaction and Disagreements

(By a Special Correspondent)

Government has now published the draft of the proposed legislation in the matter of income tax. They have failed to disclose what is the most vital point in the proposed legislation, viz. the standard rate and in its absence any criticism of details is impossible.

It is usually claimed for income tax that it is a fair form of taxation but as it is applied today in other parts of the world, it is nothing of the kind. It presses unduly hard on certain classes of the community.

As a light tax of from 5%—7½% with certain concessions to the lower paid classes it could be regarded as a reasonable method of taxation since it taxed all proportionately and taxed within their capacity to pay, but when the tax exceeds a reasonably small proportion of income it can no longer be regarded as a tax on income but an *appropriation of a portion of a man's earnings*. When one goes a step further and a graduated scale of tax is applied it is a most unfair burden on the higher paid man and this graduated scale of tax has developed in England so that today those with large incomes are taxed to an extent which cannot be justified on any grounds whatever; *the harshness of a graduated scale of Tax will be accentuated more than ever here by local conditions and circumstances*.

The unfairness of any tax on income in this Colony will be made more acute by the *evasion and avoidance* which is bound to occur.

It is frequently claimed by those in favour of the tax that eventually all will be brought into the net. Many Accountants with years of experience are of the opinion that the percentage of evasions and avoidance of the tax will always remain so high as to make the tax an unfair burden on the rest of the community.

There is another aspect of the situation. There are three standards of living in Hongkong; the English or European standard, the local Portuguese standard and the Chinese standard. To introduce a form of taxation on income which will be fair to all three classes is almost an impossibility. A tax can only result in a lowering of the standard of living of those on whom the prosperity of the Colony mainly depends.

The Ordinance is so loosely drafted that any detailed criticism is of little use, further as already stated Government has completely refrained from publishing the standard rate.

If it is to be a graduated scale then the latter should not in any circumstances be allowed to exceed 5%. If the graduated scale is not adopted but a fixed scale taken, then it might in the most exceptional circumstances be allowed up to 10%. Even so, many who can ill afford it will find themselves contributing by way of taxation a large portion and probably that portion of their income which represents their savings. Earnings in Hongkong cannot as in other countries be equitably adjusted to meet direct taxation.

Direct taxation brings to the fore another matter. Government has presented no concrete reason for this new form of taxation, a form which is opposed by the greater portion of the community. It has produced no satisfactory Budget or Accounts and has not put before the Colony any intelligent scheme of financing over the next few years. It is like a Board of Directors appealing to shareholders for new capital without presenting any reasonable explanations as to what they propose to do with the money. This is in keeping with the attitude of Government in the past but since we are now apparently to be deprived of a very large portion of our earnings we should certainly have a *larger voice in the management of our affairs*. The cry of democracy many years ago was, as we have been reminded recently in the newspapers, "No taxation without representation". Democracy today seems bent on giving everyone a voice in the control of finance, except those who are finding the means.

In the past the State has taken a small percentage of the National Income and has used it for essential State affairs such as the Army, Navy and Civil Service, but today the biggest spender of the National Income is in nearly all cases the Government of the Country and in these circumstances *Government should be called upon to render a proper account of its stewardship in well prepared statements and an intelligent form of accounts*.

In the first place they should be called upon to produce a proper Balance Sheet and Accounts. *Government for fifty years has confused capital with revenue*.

We should insist that from now onwards a proper distinction is made between capital and income. Any capital expenditure should be met by loans and the annual revenue of the Colony, your income and my income, which is being taken from us should only be used for revenue expenditure and should on no account be used for the acquisition of capital assets such as hospitals, schools, roads, water works, etc., all of which should and must be met out of capital income, namely loans.

Payment of wartime salaries of Government servants, pensions and rehabilitation should be a capital charge spread over a number of years. People who for the first time for five years find themselves with earnings should not be called upon immediately to part with those earnings for purposes such as these. Further to suggest that such should happen without coming forward with some concrete proposals in regard to reparations is a scandal and typical of the official outlook today.

We have never been a burden yet on the Old Country and the position we are in today is through no fault of our own. Nevertheless we are quite capable of getting out of it in our own way. Those who have lost so much, many of them their all, are not moaning about the past but nothing should be done either now or in the future to cause a feeling of frustration and bitterness. No com-

parison can be made between this Colony and England. In the latter case practically without exception whether bombs were or were not dropped on their enterprises, their financial affairs are stronger than in 1941. That definitely is not so here. Government and more particularly Whitehall should realise that this proposal of Income Tax with all the peculiar circumstances surrounding it, is placing the biggest test on the Colony that it has yet been called upon to face.

Within the last few days Government has published the Budget Speech. This Speech discloses that a yield of \$16 million only is anticipated from so-called Income Tax; this is approximately one tenth of the original estimated expenditure and it would appear that this sum could have been raised by means other than by the contentious tax on earnings. Such a small yield also points to the anticipation by Government of a very limited collection mainly from the large Corporations and established Chinese and British firms and that the majority of Chinese will, as has been consistently claimed, evade payment.

Hongkong's Budget for the Year 1947/48

The Financial Secretary introduced on March 13, in the Legislative Council, the budget for the year 1947/48 which provides for:

Recurrent expenditure	\$109,488,433
Revenue	109,839,750
Surplus	\$ 351,317

Extraordinary (special or non-recurrent) expenditure have not yet been compiled by the Financial Secretary, however, it appears that they will not exceed \$60 million.

For the fiscal year 1946/47 the estimates of the Financial Secretary were as follows:

Recurrent expenditure	\$90 million
Extraordinary expenditure	77 "
Revenue	\$167 million 51 "
Estimated deficit	\$116 million

On March 13, the Financial Secretary explained that his previous estimates proved incorrect in the face of actual approximate expenditures and revenue for the year 1946/47, which are now given as follows:

Recurrent expenditure	\$ 90 million (according to estimates)
Extraordinary expenditure	40 " (\$37 million less than estimated)
Revenue	\$130 million 78 " (\$27 million more than estimated)
Actual deficit approx.	\$ 52 million (\$64 million less than estimated)

Revenue in 1946/47 was, according to the revised and approximate estimate of the Financial Secretary, announced March 13, \$78 million; it is proposed to raise another \$31 million during the fiscal year April 1, 1947, to March 31, 1948, thus making a total of \$109 million revenue for the next fiscal year. The proposed Income Tax is estimated to bring about \$16 million, or less than 15 percent of the total revenue.

Considering the lower purchasing power of the local dollar, revenue estimates are not too high; in 1937 revenue amounted to \$37 million. While the value of the HK\$ in 1947, compared to the purchasing power of the dollar of 1937, has suffered depreciation of about 280 percent, the increase in estimated 1947/48 revenue as against revenue of 1937 amounts to only about 200 percent.

Government will float a loan which will have to cover the deficit of the fiscal year 1946/47 of approx. \$52 million, plus the unofficially estimated extraordinary expenditure for the coming fiscal year of 1947/48 of \$60 million, together \$112 million. The recurrent expenditures for 1947/48 provide an amount of \$6 million for service of interest and sinking fund on a new loan. This item suggests that the Financial Secretary contemplates the floating of a loan of about \$150 million. Following are Estimates for recurrent and extraordinary Expenditures for the past and the coming fiscal years:—

	1947/1948	1946/1947
H.E. The Governor	\$ 185,498	\$ 161,809
Colonial Secretariat and Legislature ..	470,048	462,859
Audit Department ..	147,434	134,802
Charitable Services Development Secretariat	190,860	155,745
Directorate of Air Services	953,622	1,287,319
District Office, North District Office, South Education Department	161,558	310,906
Fire Brigade	122,688	106,297
Harbour Department	104,467	60,092
Hongkong Naval Volunteer Force ..	7,376,585	6,206,585
Hongkong Volunteer Defence Corps	630,436	672,837
Imports & Exports Department	3,539,033	8,825,264
Judiciary	2,728	17,866
Kowloon - Canton Railway	75,151	73,682
Labour Office	672,957	613,450
Legal Department	396,704	439,042
Medical Department	5,021,762	11,216,318
Miscellaneous Services	155,457	94,989
Pensions	325,403	335,732
Police Force	12,113,010	10,599,336
Post Office	30,317,828	62,972,258
Press Relations Office	4,463,000	4,115,000
Prisons Department	5,966,943	5,226,644
Public Debt	3,145,595	908,585
Public Works Department	47,840	51,686
Public Works Recurrent	2,200,458	1,643,120
Public Works Extraordinary	7,838,148	—
Royal Observatory	2,797,482	3,166,589
Sanitary Department Secretariat	7,948,000	7,179,837
Chinese Affairs	102,000	16,062,000
Stores Department	203,822	181,165
Treasury	1,953,631	3,008,777
Supplies, Trade and Industry Department	258,776	131,408
Custodian of Property	7,908,241	8,562,659
Inland Revenue Department	613,528	655,553
Wireless	643,754	1,283,300
Broadcasting	92,998	801,700
Quartermaster Commandant	341,008	—
Relief Services	—	715,604
Reparations Claims Office	—	176,408
Office	—	42,552
Office	—	2,087,850
Office	—	24,040
Total	\$109,488,433	\$160,751,665

The Trade of Hong Kong During February, 1947

(By A Trade Analyst)

There was a short recession in the trade of the Colony during February, compared with the previous month. Imports fell from \$105,406,209 in January to \$82,557,394 in the month of February.

Exports from the Colony were only \$70,993,321 compared with \$102,591,823. While the fall in prices and the shorter month may account for some of this decrease, never-the-less it would appear that the demands of Hong Kong for overseas products and the demand from overseas countries for commodities of China shipped through Hong Kong has fallen from the high levels of the end of

1946. Some recession is to be expected as local stockmines are replenished, but the major cause must be traced to the restrictions on trade to and from China.

The figures show that imports from the United Kingdom fell by \$11 million. The decrease is accounted for by large falls in the importation of chemicals and drugs, dyeing and tanning materials, metals, piecegoods and textiles, tobacco and vehicles.

Australia too sent \$4 million less than in the previous month. Foodstuffs and provisions show a sharp decline while there were considerably smaller imports of piecegoods and textiles.

From North China, imports were down by \$2 million, mainly foodstuffs and provisions, nuts and seeds and textiles.

Other countries from which we took fewer imports were Siam, Macao, Italy, Middle China (\$1 million each) and the Philippines, which sent \$2 million less, mostly oils and fats, machinery and hardware.

On the other hand imports from India showed an increase of \$6 million of which almost the whole comprised textiles.

Chemicals and drugs were up some \$350,000.

Malaya too, sent increased supplies amounting to \$2 million and an additional \$1 million of oils and fats, paints and sundries.

Imports from Belgium were up \$2 million, of which almost half was accounted for by metals. Belgium also became a popular market for dyeing and tanning materials, paper and piece goods.

Another welcome increase was the import trade with Holland, which sent large supplies of chemicals and drugs, foodstuffs, metals and paper, to make an overall increase of \$1 million.

From our major market, U.S.A., imports fell by some \$8 million.

Imports of Chinese medicines showed a drop of \$2 million, foodstuffs and provisions \$4 million, metals \$1 million, oils and fats \$1 million, paper \$1 million and vehicles \$1 million.

There were, however, slight increases in dyeing and tanning materials, intoxicating liquors and machinery.

On the export side the largest fall was registered in exports to Malaya, although we sent \$2 million worth of additional foodstuffs. Never-the-less there was a fall of almost \$9 million in the exports of piecegoods and textiles, and \$1 million in wearing apparel.

Another large fall was in the exports to U.S.A., amounting to \$7 million; of this \$5 million is represented by a fall in the export of oils and fats, \$1 million in foodstuffs and \$1 million in sundries.

South China took \$5 million less than in January. Metals fell by \$4 million, oils and fats by \$3 million. There was little change in other commodities.

Exports to India fell by \$2 million, half of which was piecegoods and textiles, but Chinese medicines also showed a considerable drop. The Philippines (\$1½ million), Russia (\$1 million) and Middle China (\$1 million) also took fewer of our exports.

The Export & Import Position of China since the Conclusion of the War

By E. KANN
(Shanghai)

Unfortunately no hopeful symptoms for resumption of exports can be discerned on China's skies. This country, being one of the victorious allies, has undergone indescribable hardships, suffering untold losses in men and material wealth. While having gained complete liberty after eight years of strenuous resistance, she failed so far to find real peace within her borders. Many other benefits were conferred upon China as just recompense for her achievements, namely the abolition of treaty-ports rights and the cancellation of extraterritoriality. Yet general conditions, mainly such as have their roots in the economic field, undoubtedly have changed for the worse.

For centuries China was known to the outside world as the land of immense natural resources, coupled with proverbially cheap labor. Such views correctly described the position. But the war has caused it to be changed; not to the benefit of China. In fact, the situation has deteriorated to a degree which justly creates cause for mild alarm. China's trade in 1946 resulted in an unfavorable balance exceeding CN\$1,200 billion representing about 80 percent of imports from abroad against less than 20 percent exports to foreign lands, a balance sheet of Chinese international trade which does not inspire confidence.

Here it is intended to record facts, without citing statistical tabulations and parading figures, unless this appears really essential. In 1937, the fateful year during which the "undeclared war" was initiated in China, the latter's foreign commerce showed excellent result and a distinctly healthy undertone. But then the actions of unbending enemy forces ruined all chances for a successful termination of an auspicious beginning.

Import Position

Let us attempt to examine the peculiar situation in which Chinese international trade finds itself to-day. Firstly imports. These have risen to an abnormally large extent. Why? After an eight years' war of heroic resistance production within the country, apart from absolute necessities turned out under adverse conditions and in diminutive quantities, China was crying for merchandise. This means that first and foremost consumer goods were needed. Imports of such were enormous in quantity, satisfying not merely current requirements, but leaving ample reserves, both for legitimate and speculative purposes. By the close of 1946 it was apparent that imports of certain lines were overdone and might lead to stagnation and commercial crisis.

One could argue that the existence of an acute monetary inflation would discourage imports from abroad, because, expressed in local money, imported goods would turn out to be too dear. While this might theoretically be logical, one must take account of a counter-argument, namely that, in view of an existing state of inflation, it is wise to convert local currency into goods readily marketable; for when hesitating to act in this manner, inflated money was liable to lose more in value.

Furthermore, raw materials from abroad were urgently required, so as to set China's wheels of industry into motion again. This accounts for the unduly heavy ingress of raw cotton from America and British India. To the abnormally high volume of cotton imported through regular channels and financed with foreign exchange granted by the Central Bank of China, large shipments were financed by means obtained in the open market; and finally, UNRRA also supplied China with sizable quantities of raw cotton.

Then the country badly needed sheeps-wool in the shape of tops and yarn. Imports of these also aggregated large amounts. Kerosene was urgently required to keep the lamps of China aflame, while gasoline in huge quantities had to be imported in order to move the ever-growing fleet of trucks, buses and automobiles. Diesel oil was demanded for factory motors and kindred purposes. It must be remembered that all stocks of these commodities had been entirely exhausted during the long war in China.

Producer goods, though urgently needed by China, could not be procured at short notice for various reasons, notably because, first, manufacturing countries considered it vital to first replenish their own stocks of machinery which had either been destroyed or which had badly deteriorated by constant wear and tear; and second, because it always requires a long time to manufacture new plant and machinery and ship it to a far away destination.

Export Position

Now as regards exports, reasoning seems to be more complicated. The existence of a state of monetary inflation theoretically furthers export movements, for the producer obtains infinitely larger sums of money for his merchandise. The wise manufacturer in China might, however, counter this argument by emphasizing that he preferred to hold good commodities to the procurement of depreciated money. And the more primitive farmer of China's good earth, uninitiated in the intricacies of economics, will quickly detect that the large packets of fiat money he is now getting will buy astonishingly little in the way of imported goods or locally manufactured articles.

Another vital reason for China's inability to export at present (and until the vicious circle has been broken) is the deplorable state of transport throughout the entire length of the country. Efficient shipping is so far unavailable along the China coast or along her rivers; country roads have not undergone repairs for many war years; the railway system of the country is in a fearfully bad state. The last mentioned factor is the most serious link in the long chain of adverse circumstances. Civil war which has spread throughout the entire country is, of course, another derogatory item of adversity with regard to export chances from China. And last, but by no means least, is the vexed labor problem now tormenting China and hindering exports from developing.

Initial Foreign Trade Control

After gradually liquidating state affairs in the provisional capital Chungking, the authorities moved back to their former seat at Nanking. In November of 1945 the use of the puppet C.R.B. currency was halted and a ratio of 200:1 was decreed. It was not before March 4, 1946, that the first comprehensive regulations pertaining to Sino-foreign trade were made public in the form of provisional rules. "... With a view to stabilizing the currency, promoting economic recovery and implementing the International Monetary Fund Agreement." After proclaiming 32 regulations concerning the prerogatives of the appointed exchange banks, temporary foreign trade regulations were decreed.

Imports were classified as follows: (a) Unrestricted imports; (b) Licensed imports; (c) Prohibited imports.

Unrestricted imports comprised all articles other than (1) those listed in schedules A and B, and (2) those listed in the table of prohibited articles.

Licensed imports comprised the articles listed in schedule A and were permitted to be imported only after procurement of a licence from the Customs Administration. The list of such articles is brief; it is composed of passenger motor cars, factory cost of which does not exceed U.S.\$1,200; sugar; tobacco leaf; kerosene oil; cinematograph films.

Besides, it comprised goods liable to a surtax of 50 per cent on existing tariff rates; no special licence was needed for these items, namely: watches; wine, beer, spirits, table water; cigarettes and prepared tobacco; jewellery and ornaments; pearls real and imitation; cut precious and semi-precious stones.

Prohibited imports comprised articles contained in schedule B and considered luxuries, viz.: Imitation gold and silver thread, lace trimmings, embroidered goods, woollen carpets, silk in the shape of piece goods, silk knitted tissue, silk velvets and plushes, silk clothing, automobiles costing ex factory above U.S.\$1,200, musk, ivory carvings, curios, lacquerware, ornamental materials, manure sets and vanity cases, perfumery and cosmetics, toys, most umbrellas.

Exports, of course, were permitted from China, except the following items on the list of prohibited articles: Metallic ores or smelted metals of wolfram, antimony, tin and quicksilver (all government-controlled), silver coins, gold and silver bullion, coins of nickel and metal alloy, copper cash and coins and metal remelted therefrom. Further: salt, wild animals and birds, bird skins, antiques, original writings of Dr. Sun Yat-sen, ancient Chinese books, rice, paddy, wheat, wheat flour, cotton yarn and cloth.

In perusing the last list it will be recalled that the export of rice from China had been interdicted from the very outset of China making commercial treaties with foreign powers; bronze and copper from melted coin likewise could not be shipped out of China for decades past. The principal item in the list calling for special attention is the embargo on the egress of cotton yarn and cloth. Before the war China was furthering the export of these commodities and actually had succeeded in supplying the South Sea islands in 1936 and 1937. However, during the war the country was completely denuded of cotton, yarn and cloth, and it is only natural that the

authorities should protect it against the dearth of first-rate necessities. Undoubtedly this prohibition is of a very temporary nature, for China, planning to rapidly expand her cotton industry, will in time only be too anxious to become an exporter of cotton yarn and cloth.

First CN\$ Devaluation after VJ-Day

In supplementing this brief sketch of attempting to direct Chinese trade and to control Chinese currency it must be mentioned that, simultaneously, the value of the Chinese Yuan vis-a-vis the American dollar was fixed at 2020 of the former to one of the latter. The Chinese authorities were very liberal in granting applications of importers who drew heavily upon the specially reserved fund of foreign moneys amounting to US\$500,000,000.

As time went by it was seen that exports from China badly lagged behind import values. In some months the ratio of the former to the latter was only 10 per cent to 90 per cent of the total international commerce. Many economists and industrialists ascribed the alarm shortage to the "unrealistic" rate of exchange which ought to have been fixed at a much higher level, especially when compared with the wholesale commodity price index. Agitation set in, unquestionably instigated by sincerity and belief, continually drawing wider circles.

Second Devaluation

Yielding to the entreaties of the ever-growing mercantile community, clamoring for a higher official rate of exchange, the Chinese Government, on August 19, 1946, proclaimed a new ratio, namely CN\$3,350 to 1 US\$. However, it took only a very brief space of time to convince both, official and mercantile circles, that the sudden change failed to work miracles. Exporters could not profit from the change, because the price of Chinese commodities rose rapidly, in many instances even above the difference between the original and the newly decreed exchange quotation. Workers in factories, workshops and offices, as well as employees of utility companies, almost immediately demanded higher wages, because cost of living was bound to rise peremptorily. The entire community saw in the new measure first and foremost an admission that the Chinese Yuan had been further depreciated. But the intended reform failed to help trade. Imports from abroad, instead of declining, rose in volume and value. Exports from China failed to eventuate, because prices after the event were higher, also in terms of stable foreign currencies, than before. This sad state of affairs could not be hidden and was openly admitted, also by official sources.

Admitting the failure of a certain action is praiseworthy. But at best it remains a mild palliative, and not a remedial measure. Danger threatened the further existence of the foreign exchange fund held abroad, of which—according to unofficial guesses—about \$300,000,000 had been eaten up by the end of October, 1946.

Full Import Control

It was on November 18, 1946 that the "Revised Temporary Foreign Trade Regulations" of China were announced by Dr. T. V. Soong, President of the Executive Yuan. After referring to the Government's endeavors to have the country supplied with goods which were denied to the people during eight years of war, the President stated that the shortage has by now been overcome by substantial commercial imports, supple-

mented by generous UNRRA relief supplies and by the very extensive quantity of surplus American goods which are still to arrive.

This development permits the Government, Dr. Soong continued, to shift the emphasis to the problem of reconstruction. The time had come to inaugurate a period of selective importation by expanding the current licensing system to cover all imports. Importation of necessities and raw materials and other legitimate requirements of domestic producers were to be granted first consideration. Machinery and other capital goods will obtain preferential treatment. The previous provisional trade regulations are being replaced by the new rules.

Exports: All exports, except those listed in schedule V, may freely be shipped out, provided that one of the licensed banks certifies that it has purchased the foreign exchange derived therefrom. The commodities, the export of which from China is interdicted, are analogous with those already cited in this essay.

Imports: For the purpose of administering the system of import licences a special Board was created under the auspices of the Supreme Economic Council. The said Board is composed of the following dignitaries: The Ministers of Finance, Economic Affairs, Communications, National Defense, Food, as well as the Governor of the Central Bank of China, the National Resources Commission and the Director General of the National Relief and Rehabilitation Administration.

The Board established an Import Quota Allocation Department. It was furthermore setting up an Import Licensing Department for the purpose of issuing licences in regard to the importation of goods in schedules I and II. Besides, it inaugurated the Foreign Exchange Examination Department of the Central Bank of China, to issue (or refuse) licences re importation of merchandise in schedule III. Licences for import of goods shall only be considered when emanating from importers registered with the Board.

The importation of the various classes of goods, as tabulated by the Board, are found in the following schedules:

Schedule I, dealing with capital goods, to wit: Agricultural machinery; electrical machinery, machine tools, industrial machinery; steam, gas and oil engines, turbines and other prime movers; railway and tramway supplies; steam boilers and mechanical stokers.

Schedule II. Goods falling into this category shall be imported under quotas, which are to be fixed by the Board and allocated by the Allocation Department. The latter is to submit the quotas to the respective trade associations with the direction that each trade apportion its quota amongst registered importing members of that particular line.

Commodities covered by schedule II make a longer list. Same comprises the following items: Cinematograph films; kerosene; tobacco; sugar; aniline dyes; sulphate of ammonia; artificial silk yarn; cement; coal and coke; raw cotton, chemicals; fertilizers; wheat flour, gasoline; gunny bags; lubricating grease; indiarubber; raw jute; liquid fuel, belting, metals; oils and fats; paper and wood pulp; pharmaceuticals; rice; starch; sulphur black; tanning extracts; timber; wheat; wool and woollen yarn.

Schedule III. The Board will issue from time to time a list of goods contained in schedule III, in respect to which the Foreign Exchange Examination Department of the Central Bank of China will be authorized to consider applications for import licences, which list is to remain in force until modified by further notification. Such applications must be made prior to the completion of purchases abroad.

Schedule IV is too long to be itemized here. It contains practically all commodities which are absent in the other schedules. Only a few items might find mention here: leather; milk, malt and hops, oils, ores, books and paperware, saccharine, sewing machines, plastics, telephone instruments, typewriters and similar office appliances, woollen piece goods, woollen blankets, building material, stoves of all kinds, electrical materials and appliances, linen, salted fish, etc., etc.

Schedule V. Same contains a list of articles the import of which is, at least for the time being, prohibited. The tabooed items found there comprise inter alia: All table delicacies, like awabi, asparagus, caviar, birds nests, biscuits, confectionary; then also toilet preparations like perfume, musk, powder, lipsticks, toilet equipments, such as combs, brushes, manicure sets; further, jewellery, pearls, imitation gold and silver thread; silk knitted tissue, plushes and velvets, silk clothing; woollen carpets, lace and trimmings, curios and damascene ware, decorative or ornamental materials, precious and semi-precious stones, thermostatic containers, tea, toys, umbrellas and sunshades, carved ivory ware and silk piece goods, pure or mixed.

This, in brief, represents the reform measures adopted by the Chinese authorities, distinctly with the object of controlling and reducing imports into China. Those familiar with the critical economic situation in China will not only understand the wisdom of curtailing liberty of action on the part of importers, merchants and speculators, but will sympathize with the Chinese authorities in their endeavor to maintain trade and to direct China's international commerce into legitimate channels promising a lesser trade deficit than has hitherto been developing.

Chinese Industries

Trade and industry invariably are interlocked and interdependent. And the brief review of China's post-war commerce with foreign lands would be incomplete, were one to omit to dwell on the peculiarities characterizing Chinese post-war industrial activities and their bearings upon the country's foreign commerce. Both imports and exports are involved.

Take, for instance, China's foremost industry, cotton spinning and weaving. Of the approximately 5,000,000 spindles only slightly more than 3,000,000 are now at work. Its basic material, raw cotton, has to be brought from abroad in such quantities that it heads the list of articles imported from abroad. Since the finished article is not permitted to be shipped out (owing to the dearth of supplies in China), we witness a very costly one-way traffic, namely imports, i.e. outpayments of foreign moneys.

Somewhat similar conditions exist with other major commodities. One of the main obstacles for China's industrial products to come to the fore is the broken-down transport means, veins which normally would carry raw material to the factories situated in the seaports; and

which, in turn, would hasten the locally finished products to the marts in the interior. Owing to the long war roads were left in disrepair. Railways were worked to the utmost capacity, no replacements taking place. Practically every railway in China was, during the war, bombed, or intentionally destroyed by either friend or foe. And even since V-J Day the largest part of China's railway net is being maliciously disrupted as one of the results of civil strife. That this latter calamity is a serious additional handicap to the development, or even the mere existence, of industry or trade needs no emphasis. And for the past ten months China unfortunately has been the victim of internecine warfare, the termination of which is not yet visible.

Other impediments to the resuscitation of Chinese industries, and indirectly upon China's international trade, are the following:

(a) the existence of an acute monetary inflation, meaning the lack of a foundation for planning and calculating, due to constant actual or expected further depreciation.

(b) The high cost of living since the termination of World War II. Normally, Shanghai was one of the cheapest places in the world to live in; to-day it probably is the most expensive place of abode. High commodity prices and excessively high living scales naturally are most derogatory factors for the smooth working of industry and commerce.

(c) Again due to inflation interest rates are outrageously high in present-day China. In Shanghai industry had to face interest charges as high as 25 per cent per month, while 15 per cent per mensem was considered as "normal." Such burdens leave their mark on the factory output which thus becomes non-competitive.

(d) Fuel and electric power current also have risen beyond belief, thus preventing industrial enterprises from normally working.

(e) Owing to the unbalanced budget and the ever-mounting military expenditure taxes are constantly on the increase, hitting industrial life in China badly. But factories have to put up with another painful burden, namely excise duties on many articles, like matches, cigarettes, wine, cotton yarn, and others.

(f) Finally there is the complicated labor problem of the China of to-day to be faced, though this feat has so far not been accomplished. Industrial hands in pre-war China enabled the country to progress fast in the realm of manufactures; labor was proverbially cheap. Once more due to the vicious circle of inflation and its consequences Chinese labor of today is far too costly if measured by units of efficiency.

These remarks are meant to show the deeper causes of a retarded export trade. Raw material for home consumption, or else for export, can only with the greatest difficulties and at an unduly high cost, be brought to the coast for shipment abroad. And manufactured articles, owing to the high scale of taxation, the excessive cost of fuel and the impossible labor demands cannot be purchased by foreign countries.

HONGKONG STOCK & The Bank of East Asia, Limited SHARE MARKET

During recent days local and outports demand has increased and, simultaneously, scrip offering has dwindled. The market, in some sections and a good number of shares, is practically at a standstill. Tomorrow has been reported as unusually small. Buyers are anxious to obtain scrip but are not willing to concede higher prices than their limits. Thus, in most cases, inquiry is of platonic interest only. The firm undertone of the market continues and most market observers predict slow but steady advances in around quotations.

Many of the recently arrived Chinese financiers and speculators, mostly from Shanghai with a good sprinkling from Kwangtung, are not eager to sink some of their funds in the local share market. Their outlook on matters of investment and speculation is still conditioned by the Chinese milieu. Their motto is: quick and big profits, with any amount of risks. Their temperament is well suited to any kind of gamble in business but not to the solid and reliable local share market. It will take these new arrivals some time to adjust themselves to the local financial and business climate.

A number of yearly meetings are scheduled for the next few days. There is much speculation about a possible dividend to be paid by China Lights, and the market also talked about a new issue of H.K. Electrics which will be made towards the end of the year. Electrics have satisfied the most discerning shareholders with their annual report although no dividend could yet be paid.

Hongkong & Shanghai Banking Corp.

The net profit for the year 1946, after making transfers to Provisions for Contingencies out of which account provision has been made for Bad & Doubtful Debts and the estimated amount of the losses arising as a result of war, amounts to \$9,602,703. From this sum the Directors recommend the payment of a dividend of £3 per share which, at 1/2/27/32d., the rate of the day, will absorb \$7,760,842 leaving a balance of \$1,841,861 to be carried forward to next year.

The Balance Sheet of the Bank, as at December 31, 1946, reveals Current Deposits and other Accounts of over \$14 billion, Cash in hand and at Banks of \$264 million, Money at Call & short Notice \$273 million, Bills receivable \$87.9 million, Investments in Securities \$551 million, Advances to Customers & other Accounts (incl. accounts still subject to Moratorium) \$484 million.

The Balance Sheet and Profit & Loss Account of the Bank will be published in our next issue (March 26).

Dividend of Chartered Bank

At the Stockholders meeting of the Chartered Bank of India, Australia and China, to be held on March 26, the directors will recommend a final dividend at the rate of 6½ per cent. per annum subject to income tax, making ten per cent. for year. Allocations are: £100,000 Pension Fund; £10,000 Widows' and Orphans' Fund; £100,000 Bank Premises; £387,268.5.4. carried forward.

The dividend paid for the year 1945 was at the rate of 5 per cent. per annum.

Annual Meetings

Hongkong Electric Co., Ltd.	March 20
The Bank of East Asia, Ltd.	" 22
Hongkong & Shanghai Banking Corp.	" 23
Chinese Estates, Ltd.	" 28
China Light & Power Co., Ltd.	April 12

Hongkong Electric Co., Ltd.

At the annual (54th) meeting of shareholders the following report of the Directors for the period September 1, 1945 to December 31, 1946, will be submitted:—

The balance at credit of Profit and Loss Account is \$2,924,641 after allowing for depreciation. After deducting the debit on Profit and Loss Appropriation Account amounting to \$2,178,073 an amount of \$746,568 is left for appropriation.

The Directors recommend that this balance be disposed of as follows:—

To provision for contingencies \$700,000; to Carry forward to 1947, \$46,568.

Hongkong Land Investment & Agency Co., Ltd.

The Directors of the Company decided to pay a dividend of \$2 per share of \$25 for the year ending December 31, 1946.

One of the leading banks in the Far East, the Bank of East Asia, Ltd., with head office in Hongkong and branch offices in Shanghai and Saigon, will hold its 28th ordinary yearly meeting on March 22, when a 6% dividend and a 1% bonus will be declared. The year 1946 has been the most successful in the history of the Bank. The net profit amounts to \$1,245,000 on a paid-up capital of \$5,598,600. The balance sheet of the Bank is distinguished by the amounts shown under current and other deposit accounts of almost \$52 million, and \$52,756,000 of cash in hand and in banks.

Over 12,000 clients are on the books of the Bank which testifies to the popularity of the premier Chinese commercial bank of Hongkong.

The Directors have proposed the raising of the paid-up capital to \$10 million, and the authorised capital to \$50 million (compare our issue March 5, page 123).

The Balance Sheet of the Bank of East Asia Ltd. as on December 31, 1946:

LIABILITIES	
CAPITAL:—	
CAPITAL AUTHORISED	
100,000 Ordinary shares	
of \$100 each	\$10,000,000.00
CAPITAL ISSUED	
55,986 Ordinary shares of	
\$100 each (Fully Paid)	\$ 5,598,600
RESERVE	2,750,000
CURRENT AND OTHER DE-	
POSIT ACCOUNTS	51,992,873
STAFF PROVIDENT FUND	204,505
BILLS PAYABLE	973,692
ACCOUNTS PAYABLE	2,501,093
FOREIGN CREDITS, ACCEPT-	
TANCES & GUARANTEES	
(As per contra)	2,600,214
PROFIT & LOSS ACCOUNT:—	
Balance Brought	
Forward 1945	
Less Appropri-	
ations at:	
Ordinary Year-	
ly Meeting 1946	\$ 115,189.18
Net Profit for the	
year 1946	1,245,861.17
1,361,050	
TOTAL	\$67,981,738
ASSETS	
CASH IN HAND & IN BANKS	\$52,756,184
BULLION IN STOCK & IN	
TRANSIT	968,915
LOANS & ADVANCES	7,208,040
BILLS RECEIVABLE	389,688
INVESTMENTS	1,438,524
INVESTMENTS IN TRUST FOR	
STAFF PROVIDENT FUND	55,003
BANK BUILDINGS AT COST	
LESS WRITTEN OFF	2,100,000
FURNITURE INCLUDING	
SAFE DEPOSIT BOXES,	
ETC.	1
ACCOUNTS RECEIVABLE	465,167
CUSTOMERS' LIABILITIES ON	
CREDITS ETC. (as per	
contra)	2,600,214
TOTAL	\$67,981,738

Profit & Loss Account for 1946

To General Expenses, etc.	\$ 717,763
To Directors' Fees	30,000
To Auditors' Fee	4,800
To Balance	1,361,050
TOTAL	\$ 2,113,613
By Balance Brought Forward	
Less Appropriations at	
Ordinary Yearly Meeting 1946	\$ 115,189
By Gross Profit for the year	
ending 31st December, 1946 ...	1,998,424
TOTAL	\$ 2,113,613

Proposal by the Directors to deal with profit of \$1,361,050:—

To pay a Dividend of \$6.00 per share on 55,986 shares	\$ 335,916
To pay a Bonus of \$1.00 per share on 55,986 shares	55,986
To transfer to reserve fund ...	550,000
To pay a Bonus to the staff ...	110,000
To carry forward	309,148
	\$ 1,361,050

REVIEW OF THE STOCK & SHARE BUSINESS OF THE WEEK

Throughout the week the share market was steady in spite of the publication of the Income Tax proposals.

Banks.—Sales were reported at \$1,660 and \$1,670 ex dividend of £ 3. Bank of East Asia ruled very quiet at \$155.

Insurances.—Canton Insurances after sales at \$400 eventually recovered to \$405 with further buyers. Unions were done better at \$710 and have buyers at \$700. Hongkong Fires found buyers at \$305 without any scrip offering.

Shipping.—This section again quiet. Sales reported in Indo-Chinas (Deferred) at \$290.

Docks, Wharves, Godowns, etc.—Wharves after sales at \$155 found buyers but sellers want \$157½. Docks changed hands at \$19 and also \$19.50. Providents sales at \$14.50 and \$14.25.

Mining.—No sales reported in this section.

Lands, Hotels, & Buildings.—Hotels were again active, and several large lots changed hands. Sales varied from \$18.65 up to \$19.25 at the close. Lands sales at \$82.50 and \$83 with further buyers. Land Debentures are obtainable at the quoted buying rate. Humphreys sales reported at \$18. Realities sales at \$17.25. Chinese Estates have buyers at \$155 but no sellers.

Public Utilities.—Trams reported sales at \$35.50 and \$35.75. "Star" Ferries went up from \$74 to \$79 buyers, with only small lots of shares being offered. Yaumati Ferries are neglected and have sellers at \$23. China Lights (old) sales at \$11.50 to \$11.75, while the new shares are quiet. Electrics have changed hands quite a lot at \$35 to \$32.50 and were still better at the close with buyers at \$33.50.

This Company has not announced a dividend for the year 1946, but the report is excellent. Macao Electrics have sellers at \$15 but no sales. Telephones (Old) sales from \$37.25 to \$38 while the new shares changed hands at \$20 and \$20.50.

Industrials.—Cements had sales at \$15.35, \$15.50 and \$15.75 and at the close buyers are offering \$15.50 and sellers asking for \$16. Ropes recorded small sales at \$10.

Stores, etc.—Dairy Farms at the opening reported sales at \$42, \$42.25 and went better at the close with buyers at \$45 and sales at \$45.25. Watsons had sales at \$28.50 and \$28.25. Lane Crawfords changed hands at \$24.25 and \$24.50. The Chinese stores remain very steady with very few sales reported.

Miscellaneous.—Entertainments were selling at \$26.50 with buyers sticking to \$26.

HONGKONG STOCK EXCHANGE

Quotations as on 15th March, 1947.

Stock	Buyers	Sellers	Last Sale Reported for the week
H.K. Govt. Loans			
4% Loan	107	—	107
3½% Loan (1934)	103	—	—
Banks			
H.K. Bank x.d.	1,650	1,670	1,660/70
H.K. Bank (Lon. Reg.) x.d.	—	—	£102/103½
Chartered Bank	—	—	£12½
Mercantile Bk.	—	—	—
A. & B.	£21	—	—
Bank of East Asia	—	—	155
Insurances			
Canton Ins.	405	—	405
Union Ins.	—	710	710
China	—	—	—
Underwriters	—	—	80 c.
H.K. Fire Ins.	305	—	—
Shipping			
Douglases	—	—	200
H.K. Steamboats	—	—	12
Indo Chinas	—	—	—
(Pref.)	—	—	120
Indo Chinas (Def.)	285	—	290
Shells (Bearer)	—	—	s/-106/3
Union Waterboats	39 cum Rts.	—	—
Union Waterboats x. Rights	—	17	—

EXCHANGE & FINANCIAL MARKETS

Hongkong Currency Notes in Circulation

Hongkong currency notes in circulation as on December 31, 1946, issued by the Hongkong & Shanghai Banking Corporation, amounted to a total of \$416,082,086 (converted into sterling at the rate of 1/2-27/32 aggregating £25,734,862). The authorised note issue of the Bank against securities deposited with the Crown Agents for the Colonies amounts to \$46 million, and the excess note issue against Hongkong Government Certificates of Indebtedness amounts to \$370,092,086.

Notes in circulation as on December 31, 1945, amounted to \$30 million authorised issue and \$226,563,301 excess issue, making a total of \$256,563,301 (equivalent to £16,035,206. 6. 2.). (This amount did not include the so-called dures notes issued by the Japanese during the occupation).

Bullion Depression

The import embargo enforced by the Indian Government in respect to shipments of gold and silver has now been confirmed. Since March 6, no import licences for treasure were issued in Bombay, and all inquiries made since that day and subsequent correspondence arriving here has borne out the previous supposition that, to all intents and purposes, the Indian gold and silver business is dead. It may take several months before the present policy in Bombay will be modified but until that time no regular business can be expected. It is quite likely that political considerations have caused the Indian treasure embargo.

In an Oriental setting like Bombay or Calcutta it is hard to believe that no unlicensed gold and silver trade will continue although Indian Customs officials and their preventive service are by far better organised and much more efficient than it is the case in China. The price tendency in India will be rising, and, with every passing month of the embargo enforcement, record quotations can be easily predicted. On the other hand, the world bullion market which was largely directing its interest to the Indian buyers will experience slow declines in the rates.

Docks, Wharves, Godowns, etc.

H.K. & K.	155	157½	155
Wharves	19½ cum Rts.	—	19/19½
H.K. Docks	—	14½	14½/14½
Providents	—	—	—
Mining			
Raubs	6	—	—
H.K. Mines	—	2 c.	—
Lands, Hotels & Bldgs.			
H. & S. Hotels	18.85	19½	18½/90/19½
H.K. Lands	82½	—	83/82½
H.K. Lands 4% Debentures	105	—	—
Humphreys	18½	—	18
H.K. Realities	—	—	17½
Chinese Estates	155	—	—
Public Utilities			
H.K. Tramways	35½	—	35½/½
Peak Trams (Old)	—	11	—
Peak Trams (New)	—	5	—
Star Ferries	79	—	74/77
Yaumati Ferries	—	—	23½
China Lights (Old)	11.60	12	11½/½
China Lights (New)	7½	8	—
H.K. Electrics	33½	33½	33½/34/33
Macao Electrics	—	15	—
Sandakan Lights	—	—	6½
Telephones (Old)	37½	—	37½/38
Telephones (New)	20½	—	20½/20

Industrials

Canton Ices	—	—	5
Cements	15½	16	15.35/15½
H.K. Ropes	—	—	10

Stores, &c.

Dairy Farms	45	45½	42½/43/44/45/45½
Watsons	—	28½	28½/28½
Lane, Crawfords	—	—	24½/24½
Sincere's	7.05	—	—
China Emporium	—	—	5½
Sun Co., Ltd.	3	—	—
Kwong Sang	—	—	—
Hong	200 x. div.	—	—
Wing On (H.K.)	89	—	90
Wm. Powell, Ltd.	—	3	—

Miscellaneous

Entertainments	26	—	26½
Constructions	—	—	—
(Old)	5½	—	—
Vibro Piling	4	—	—
Marsmans Inv.	—	—	—
(Lon.)	—	—	s/-13/3
Marsmans Inv. (H.K.)	s/-1/6	—	—

Hongkong's overtight gold position had based some hopes on the Indian gold demand although the transportation problem was never well solved since no exports of gold from the Colony were permitted. The confirmation of the suspension of the issue of gold import licenses is a depressive factor here.

Silver exports to India, which during recent months were aggregating large quantities of bars, dollar and subsidiary coins, will now come to a temporary end, except for those remaining quantities which are about to be shipped under cover of previous silver import licenses. There are considerable stocks of silver in Hongkong, mostly held by Chinese merchants and bankers as a hedge. Offerings from the interior are regular and at times quite insistent. The changed position now will, at least for some good time to come, reduce Hongkong's silver export business.

Although the tendency is definitely easy on local and world markets, and actual offerings and potential local and outport supply is substantial, there are a few buyers here who would take up silver dollars at about HK\$2.50 and bars at about \$3.25 per oz. This price would correspond to a London quotation of around 50 pence, and to a New York quotation of about 75 cents (equalling 44½d.).

The silver price, per fine ounce, on March 17, as quoted by the leading New York bullion brokers Harmon & Handy was down at 74½ cents (a drop of one cent from previous quotation). The London silver spot market was quoting, on March 17, only 46 pence, while forward fetched only 45d. (a drop of ½d. from previous quotation).

The Gold Market

The prospects of doing business with Bombay are still unclear; although several exports have been effected during the last two weeks, no reports have yet come in about the financial success or failure of this novel transaction. A gold import embargo by India was believed to frustrate all hopes for getting rid of local surpluses, however, no confirmation about such embargo is yet definitely known. The silver export business, under the impression that no silver could be shipped to India, was under bearish influence.

All hopes for an improved price position are centred on the China market. During the earlier part of last week there were apparently well founded rumours circulated indicating that the Central Bank of China may soon revise its gold buying price which is regarded as too low at present; the resultant effect was some stimulation of black market transactions. The US\$ official buying price of CN\$11,640 is more in tune with the actual market position in China. Some over-confident speculators were already predicting that gold trading in Shanghai has been condoned by the Central Bank.

During the earlier days of last week gold prices in Shanghai and Canton were high and encouraged some buying of bars and coins in Hongkong. A few larger exports of gold to Canton where put through when black market quotations there reached CN\$690,000 and (highest) \$695,000 per taol, at which price, considering the simultaneous low value of HK\$ (approx. CN\$2,120-2,180), one taol in Canton fetched about HK\$280-310, against a local average price of HK\$275. However, the very restricted and, therefore, susceptible Canton market dropped towards the end of the week, and CN\$610,000 was reached at which quotation no profitable smuggling out of gold was advisable. The gold price in Canton, in terms of HK\$, eased off during the latter part of the week to 280, 276, 273. The important Hankow and Hunan gold speculation here, under influence of a declining market in Canton, partly liquidating their holdings which caused a still easier tendency. In previous months much of gold shipped from here or Macao to South China was destined for Hankow and other North China places. Much of this gold eventually found its way to the North China areas which are under the control of the Communist authorities.

The market could only find support in some rumours about resumption of gold business, legal or connived at, in China. Canton banks and exchange shops, dealing in gold, may be permitted to resume operations during the second half of March although they will have to suffer supervision and control by the police and Provincial authorities. Jewellers in Canton, as from 16th March, will resume business as it had been the case already some weeks ago in Shanghai (compare our issue March 5, page 122, 3rd col.). Since goldsmiths' selling price includes a 20 per cent profit, one taol of gold in Canton should sell at the goldsmiths at about CN\$690,000 (the Shanghai goldsmith permitted selling price is CN\$576,000 per ounce).

Local turnover, which ordinarily fluctuates between 1,500 to 5,00 taels, was petering out during the concluding days of last week when only 800 taels on one day, and 1,200 taels on another changed hands.

The announcement that the Bank of Mexico is to resume gold exports, and that the approx. fob Mexico price would be US\$44 per ounce, brought forth scornful comment. The local gold cross rate at present is around US\$44 per oz., or US\$55 per tael, both in Hongkong and China. There is, of course, at present no hope for Hongkong buying more gold abroad. The cross rate in China, officially at US\$40 and unofficially between US\$44-46, will have first to undergo a drastic change before further gold purchases abroad could be considered.

The Chinese Dollar

The Central Bank of China has found itself unable to cope with the public eagerness to sell HK\$ in Canton, and therefore declared first that, "owing to stringency of cash" the official buying rate had to be lowered to CN\$2,200 and later suspended temporarily the conversion of HK\$ into CN\$. This policy helped supporting the black market rate of CN\$. On the other hand, it was a curious reflection on the Central Bank's vacillating way of doing business when official rates are practically every other day altered, and maximum amounts for conversion of HK\$ are declared, then reduced, then altogether rescinded. Obviously, the Central Bank follows the trend of the black market in foreign exchange and gold, and operates according to the momentary technical position. This cannot, however, be termed "official policy" and "fixed rate".

The black market in Canton, at the beginning of last week, quoted for larger amounts of HK\$ only about CN\$1,920 but this heavy undervaluation of HK\$ lasted for a short time only (the Central Bank's official rates for HK\$, solemnly announced some time ago in Shanghai, are CN\$ 3,000 and 2,500 for bank's selling and buying respectively). There was a flush of confidence in fapi (CN\$) which lasted a day or so, then more sober estimation of the intrinsic value of the Chinese legal tender set in which put the rate back to about CN\$2,200.

Canton bought during the beginning of last week some gold in Hongkong which resulted in a larger influx of CN\$ notes into the Colony. The speculation in local "arbitrage" (i.e. the difference in Canton-Hongkong note and T.T. rates) was very active and operated particularly in the declining forward market. The flight capitalists from Shanghai, who were bringing here billions of Chinese money and otherwise sold large amounts of Shanghai T.T., were pressing the rates down which was only, to some extent, balanced by purchases of CN\$ by Swatow, Amoy, and, to a lesser degree, Canton merchants and importers. The difference between the local CN\$ spot and forward rate was about 25 per cent. Provided that merchant demand will continue during next few weeks, the CN\$ rate may maintain itself in the face of heavy selling pressure of Shanghai T.T.

The American Dollar

Canton paid about 5-10 per cent more than the local market which resulted in some "unrecorded exports" of US\$ from here, and caused a firm note quotation especially on 13th. Demand drafts were bought here in usual amounts while T.T. New York was, not so much under influence of less inquiry but because of considerable offerings, weak and closing easy. At times, the draft rate was not lower than T.T. although the average T.T. rate during last week was around 492/495. A few transactions were put through at rates nearer to 500.

The Indochinese Piastre

Merchant demand improved slightly which firmed up the open market price to between HK\$10-11 (per P. 100). The speculation keeps quiet these days and will only come out in support of the rate if current peace feelers turn out to have some prospects of realisation. Indochinese exports to Hongkong have been rather small and improvement in this regard is not yet in sight although larger rice shipments may commence to arrive here soon.

A large amount of badly printed fiat money issued by the Viet-nam military in Northern Indochina are circulating mostly in the rural area of the war-ridden section of the country. This fiat money has no value in the French-controlled parts of Indochina, however, in some towns where the military authority is fluid or not well defined both the Piastre and the Viet-nam scrip are being accepted by the population although generally the Viet-nam dollar is exchanged only against a certain discount. In case of a reconciliation of the French and Viet-nam led groups in Northern Indochina, the question of a settlement of this fiat money, which could be properly termed "emergency military scrip", will have to be considered. It appears that some value of this Viet-nam scrip will be recognised by the French authorities in order to reduce hardships of the population who had no choice but to accept money from the military.

The Pound Sterling

The local market has recently traded in pound notes at a discount of approx. 10 per cent; i.e. while the official exchange rate between £ and HK\$ stands at 16, the exchange shops quotations was around 14½ to 14.

The position of £ bank notes is anomalous at the moment; the commercial banks in the Colony do not purchase bank notes since they keep large stocks which they at present are not in a position to send to London. The embargo on £ notes imports, a wartime protective measure, remains still in force. Under present regulations no bank notes can be exported or imported save for very small amounts in case of travellers. Furthermore pound notes of and over £5 have long ago been recalled by the Bank of England who replaced these notes by entirely new issues. Those large bank notes which still are abroad, and it is a very large amount, may at a future date be repatriated, and early decision by the Bank of England is expected. Only in such case can commercial banks here and elsewhere resume buying and selling of pound notes.

There continues some small business in the local market of £ notes which are usually offered to exchange shops in larger amounts than they are taken off by travellers and others who risk it to smuggle bank notes into Britain or the Dominions. Whilst an approx. discount of 10 per cent rules as far as one pound notes are concerned, larger denominations are currently selling at between 5½ to 6 (i.e. £100 would cost about HK\$550/600 only), which amounts to a discount of around 65 per cent. In case of an early settlement of the question of pound notes which are still outside U.K., the local dormant £ speculation may revive its interest in this neglected counter.

Black Markets in Kwangtung

Many of the Canton native and exchange bankers have, in order to escape the surveillance by the police and other authorities, established in several smaller towns of southern Kwangtung *ad hoc* exchange and gold markets. The largest market, set up in Fashan shortly after the gendarmerie occupation of Canton's "Wall Street", the Sap San Hong, was later raided by military organs but has never been suppressed there.

Another black market centre flourished until recently in the city of Samfu, and in towns of the districts of Taishan and Kaiping. Again raids were conducted which only partly succeeded to drive the otherwise quite openly operating exchanges out of their new premises. The many new underground markets operate within the Province of Kwangtung by using radio sending and receiving equipment, largely left behind by the U.S. Army. Such illegal radio communications, interfering with the permitted and registered wavelengths, have been developed to a rather high degree of efficiency. Hongkong illegal radio operators are the constant worry of the local police and the Postmaster General who is in charge of registering and controlling radio communications. The gold and exchange markets in Kwangtung are in regular and continual radio communications among themselves and with their correspondents in Hongkong and Macao.

New US\$/Yen Rate

SCAP, Tokyo, announced last week the new military conversion rate of 50 yen to US\$1. The new rate replaces the 15:1 rate which was established at the outset of the occupation, and applies to Japan, Korea and the Ryukus.

Hon. Mr. D. F. Landale

After having been away for a period of leave, the Hon. Mr. D. F. Landale resumed his seat as a member of the Legislative Council. During his absence, his place was taken by the Hon. Mr. C. C. Roberts. Mr. Landale also resumed his seat at the Board of Directors of the Hongkong & Shanghai Banking Corp. where he now has been appointed Deputy Chairman.

British Trade Agent in Japan

The Board of Trade, London, appointed Mr. James Ewing as Import-Export representative in Japan. Mr. Ewing will be in charge of the sales to and purchases from Japan made on behalf of the United Kingdom, the colonies and some other areas of the British Commonwealth.

Mr. Y. H. Kan

After a continuous residence of 10 years in England, Mr. Y. H. Kan, the co-agent of the Bank of China's Liverpool office, has recently returned to Hongkong where he is spending his vacation. He is the son of Hongkong's senior Chinese banker, Mr. Kan Tong-po.

Foreign Exchange Brokers

The secretary of the local Exchange Brokers' Assn., Mr. J. A. de V. Soares has been erroneously reported in our last week's issue as conducting business in partnership with Mr. F. H. Mody whilst both brokers transact business independently.

The Siamese Baht (or Tical)

Quotations of foreign exchange on the open exchange market of Bangkok during the month of February did not fluctuate much. Tendency of the baht (or tical) towards the end of last month was weak and the current month saw further although small decline in the foreign exchange value of the Siamese currency. Average quotations in Bangkok during February were as follows:

Pound Sterling: Ticals 70/74. US\$: Ticals 24.20/24.60.

Straits \$: Ticals 8.70/8.90. Hongkong \$: Ticals 4.50/5.

Piastre: Ticals 0.52/0.60. Indian Rupee: Ticals 5.70/6.20.

Netherlands Guilder: Ticals 2.70/2.90.

The official exchange rate as quoted by the Hongkong & Shanghai Banking Corp. is HK\$100 to Ticals 243 (selling). The local unofficial exchange market quoted last week Ticals 100 for HK\$18.50 for large denomination notes, and HK\$18.20 for small denomination tical notes; or about HK\$1 per Tical 5/5.

Although Siam is a potentially very important export country and should, under normal conditions and with a well-managed economy, yield regularly a substantial earning in foreign exchange, present conditions are yet far from satisfactory; political strife in the wake of an economy upset during and after the war, inefficiency and wide-spread graft of the administrative machinery in Siam, unsettled obligations arising from the postwar responsibility of Siam, are some of the reasons for the weakness of the Baht (Tical).

Gold is quoted by the Siamese Government whenever the Ministry of Finance conducts public sales. In February, two sales of gold from the Siamese gold reserve were effected, the official selling price having been Ticals 660 per baht weight (that is 15 grams), or Ticals 44 per one gram. The most popular weight of bars is 25 baht (375 grams, or about 10 Hongkong taels). The ten-baht and five-baht weighing bars are not favoured by the gold market of Bangkok. The Chinese merchant community and Chinese bullion speculators are the most conspicuous buyers of

UNOFFICIAL EXCHANGE RATES IN HONGKONG

		CN\$ (per 100,000)									
		Gold per tael				Spot		Forward		US\$ (per 100)	
March		High	Low	Closing		High	Low	High	Low	Notes	D/Drafts
10	276	268	273	49½	48½	40	37½	481	488		14.50
11	277	272½	276½	49	47½	37½	37½	479	488½		14.30
12	277½	272	273	48½	47	37½	37	481	488		14.40
13	274	269	273½	47½	47½	38	35½	491	496		14.40
14	275	271½	272	48½	47½	36½	35	484	487½		14.30
15	271	268½	270½	46½	44½	36½	35	479½	486½		14.30

gold from the Siamese Ministry of Finance, and it is also the overseas Chinese in Bangkok who are operating the open market gold exchange. Compared to the official selling price of gold, the open market price is only about 2 per cent higher.

Sales of Government gold on February 15 comprised a total of about 2,500 baht (approx. 1,000 taels). Open market gold prices during February fluctuated between 165 to 585 per 15 grams. Gold ornaments are quoted at a practically unchanging rate of 165 to 172 plus a jeweller's charge of Tcs. 140 per baht weight (15 grs.). The average gold price in Bangkok is higher than in Hongkong. One troy ounce and one tael were selling last February at an approx. equivalent of HK.\$270/280 and HK.\$320/335 respectively. The current local gold price is about 20 per cent cheaper than the Bangkok quotation. (Comparison of weights: 15 grams—1 baht weight; 31.1 grs.—1 troy oz.; 37.7 grs.—1 tael or 1.33 oz. avdp.).

Banknote Circulation at End of 1946

The National Bank of Siam states that during the week ending December 26, 1946, there were 2,205,144,369 baht notes in circulation, of which 2,121,411,404 were in actual circulation and the remainder held in various banking institutions.

One month earlier, during the week ending November 28 the total circulation amounted to 2,206,771,958 baht of which 2,061,977,857 were in actual circulation.

It appears from a comparison of these two months that despite the government's efforts to reduce the amount of money in circulation by selling gold and by the recall of 20 and 50 baht notes, the total amount was reduced only by 1,627,322 baht. The government's proclaimed aim was to reduce circulation by about 1,000 million baht.

Figures available for the end of 1940 show that at that time the total circulation was 228,725,722 baht. This rose to 270,931,688 in October 1941. During the war no reports were issued on the amount of money in circulation and this was started again only last year.

The currency reserve covering these amounts has undergone a considerable change during the last few years. In October 1941 the currency reserve consisted of 117,725,340 baht of gold, 13,565,225 baht of one year sterling holdings, 27,500,000 other holdings, 107,407,383 baht seven days bank deposits, and 1,169,825 baht in coins. In addition the government guaranteed 4,144,087 baht (equivalent to 1.85 per cent over the total reserve), the maximum according to law being 5 per cent).

The report for December, 1946, says that the currency reserve consists of 933,528,455 baht of government properties, 147,442,500 baht other properties, 352,434,446 foreign currency holdings, and 771,758,968 baht gold reserves.

No details are available about what is understood under "government properties" and also about the rate used to calculate the value of the gold. If the gold is valued at the local market price, the figure will be considerably above the world price.

INDUSTRIAL NOTES

Industrial establishments in Hongkong employed in factories, i.e. in those factories and workshops registered with and recognised by the Labour Office of Hongkong Government, by the end of February a total number of 25,464 male and 12,822 female workers, together 38,286 industrial labourers. Non-registered factories and workshops are estimated to employ approx. 10,900 male and female labourers; many of the non-registered factories have so far not applied with the Labour Office for registration, however, measures are currently taken to improve the control system of Government both for the enforcement of health and labour protection requirements, and for the purpose of statistical accuracy. The many hundreds of local workshops employing less than 20 workers are exempt from registration; the number of labourers employed by such native workshops is difficult to estimate.

Not included in the above figures are workmen employed by Royal Navy or Army; the most important employer, next to the local dockyards, is the Royal Navy in whose yards over 6,000 men and women are working.

Previously, it was stated (in our issue of Feb. 28, page 113) that local public utility companies employed among themselves some 620 workmen. This figure could be understood as

implying that the total number of employees was only that high. However, the figures as given in the Feb. 26 issue only applied to industrial workmen employed by local public utilities in their repair and general work shops. The total number of employees of the local utilities (i.e. Power, Telephone, Tramways, Gas, excluding buses and ferries) is estimated at over 2,800.

The total number of worker employed in the rubber industry (in registered factories) aggregated, by March 3, 696 men and 1,785 women, together 2,481. Provided that the now dormant industry will obtain the very large orders from China (Military), or otherwise be able to recapture some of the prewar markets, the number of labourers would quickly be doubled and trebled. Skilled labour is amply available.

During the past two months a number of factories here have expanded their respective production which resulted in much larger employment of industrial labour. Currently, more factories, particularly in the textile field, are taking on more and more workmen. Among the more important factories which expanded production recently and employed much larger numbers of male and female labour were:

Commercial Press, Ltd.—111 male and female workers; Tynar Press Co., Ltd.—120; Asiatic Litho Printing Press—70; Hongkong Tobacco Co.—100; Nanyang Bros. Tobacco Co., Ltd.—350; Ling Nam Hardware Mfg. Co., Ltd.—150; Nam Jam Factory—870 (the last two factories are manufacturing electric torches; it is remarkable how many new torch factories have expanded their business, and how many hundreds of workers have found new employment); and the following weaving mills: Hop Yick Cheung Weaving—100; Kow Yue Weaving—83; Man Yuen Weaving—234; Ng Yee Hing Weaving & Dyeing—140; Sam Kwong Weaving—145; Tai Shing Dyeing & Weaving—55; Yan Tat Kow Kee Weaving—55; Tai Hing Knitting—56 male and female workers.

Mineral Resources of Hongkong

There are four mines in the New Territories which have been employing in prewar years about 1,000 miners. The lead mine at Lin Ma Hang (near the Chinese border) is operated by Hongkong Mines Co., the wolfram mine at Needle Hill is owned by Marsman Co., these two mines being operated on modern lines; the iron mine at Ma On Shan is without underground workings except some cuttings for wolfram prospecting, and the Kaolin mine at Ka Kwo Ling which is worked for export purposes; Japan has been receiving some kaolin and regular shipments are expected during this year. Mineral resources of the Colony are not considered great although a new geological survey of the New Territories could result in more encouraging findings.

Industrial Employment

Since 1931 local industry developed with remarkable speed; there were 403 factories & workshops registered in Hongkong in 1933, and by 1938 the number had increased to 829. Most of the heavy industry (dockyards, cement works, sugar refinery) and the public utilities are European owned and managed; local light industries, of which ginger preserving, knitting, weaving, dyeing, electric torches & batteries, rubber shoes manufacturing are the leading branches, are almost exclusively Chinese owned. In 1939 there were 857 factories registered in Hongkong employing 28,470 male and 26,220 female workers, making a total of 54,690.

(These figures only cover a portion of the labouring population. Apart from those engaged in fishing, agriculture and domestic service, there are large numbers of casual workers, such as coal coolies and stevedores and innumerable foks apart from the ever-present hawkers).

Most of the labour employed in factories other than shipyards is on a direct basis, skilled labour being frequently employed at monthly rates and unskilled on piecework. Some factories pay a fixed wage with a bonus on production. Coolie labour in building construction and road making is paid by the day. Shipyards retain a certain number of skilled men on a permanent basis, but the major part of ship building and repairing is let out to contractors.

Coal bunkering and transporting coal and stevedoring in general are also let out to contractors. Sub-contracting is rampant in building construction, and all schemes which involve employment of large numbers of labourers. The chief vice in the sub-contracting system is the excessive commission drawn by the

contractor. Within limits there are certain advantages in the system as in shipyards where there is no constant amount of work, and the labour contractor may be able to switch his men from one job to another as occasion demands, and to tide them over periods of unemployment with free food and lodging. The system becomes vicious in building construction where it is not a question of splitting a contract among several sub-contractors but of subletting a whole contract through several intermediaries who all take their profit until the actual contractor who does the work may receive so little that he scamp his work or goes bankrupt and is unable to pay his labourers.

HONGKONG'S DOCKS & SHIPBUILDING YARDS

Excellent dock accommodation and shipbuilding facilities exist in the Colony. The Hongkong and Whampoa Dock Co., Ltd., a British Company, incorporated in Hongkong in 1866, has three extensive establishments. The principal establishment and Head Office is situated at Kowloon Docks, Hung Hom, one known as Cosmopolitan Dock at Tai Kok Tsui, and two Dry Docks at Aberdeen, on the south side of Hongkong Island. The establishments of this Company are fitted with all the best and latest appliances for engineering and shipbuilding work. No. 1 Dock at Kowloon can accommodate the largest vessels in the British Navy on the Pacific Station, and also the largest merchant vessels calling at Hongkong. The Docks and Slips are of the following dimensions:—

Kowloon Docks, Hung Hom:—

No. 1 (Admiralty) Dock—700 feet in length, 95 feet in breadth at entrance at top and 88 feet at bottom, and 30 feet depth of water over sill at ordinary spring tides.

No. 2 Dock—Length on keel blocks, 371 feet; breadth at entrance, 74 feet; depth of water over sill at ordinary spring tides, 14 feet.

Patent Slips, No. 1—Length on keel blocks 240 feet; breadth at entrance 60 feet; depth on the blocks 14 feet.

No. 2—Length on keel blocks 230 feet; breadth at entrance 60 feet; depth of water on the blocks at ordinary spring tides, 12 feet.

Cosmopolitan Dock, Tai Kok Tsui:—

Length on keel blocks, 466 feet; breadth at entrance 85 feet 6 inches; depth of water over sill at ordinary spring tides, 20 feet.

Aberdeen Docks:—

Hope Dock—Length on keel blocks, 430 feet; breadth at entrance, 84 feet; depth of water over sill at ordinary spring tides, 23 feet.

Lamont Dock—Length on keel blocks, 333 feet; breadth at entrance 64 feet; depth of water over sill at ordinary spring tides, 16 feet.

The Sheers at Hung Hom are capable of lifting 100 tons @ 70° o'rad, and the depth of water alongside is 24 ft. 6 ins. at low tide. There are nine building berths at Hung Hom ranging from 450 ft. to 900 ft. and the Dock is capable of building vessels up to 700 ft. in length.

The Talkoo Dockyards

In 1908 the docks were constructed by the Talkoo Dockyard and Engineering Co., Ltd., at Quarry Bay, just inside Lyemun Pass. The dock has been built to British Admiralty requirements, and has been designed to permit of further increasing its length should it become necessary at some future time to do so. The dimensions of the dock are: 787 feet extreme length; 750 feet on the blocks; 120 feet wide at coping; 77 feet 6 inches wide at bottom; 88 feet width of entrance at top; 82 feet width of entrance at bottom; 34 feet 6 inches depth over centre of sill at high spring tides; 31 feet depth over sides of sill at H.W.O.S.T. A feature of the dock is the caisson, of the box-sliding type, weighing 400 tons and electrically controlled.

There are three slipways: No. 1 Slipway is 1,030 feet long and 80 feet wide, capable of taking steamers up to 335 feet long having a displacement of 3,000 tons. No. 2 Slipway is 1,053 feet long and 80 feet wide, capable of taking steamers up to 370 feet long having a displacement of 4,000 tons. No. 3 Slipway is 933 feet long by 60 feet wide, capable of taking steamers up to 300 feet long having a displacement of 2,000 tons.

The South East Asia Command (SEAC) despatched an army under General Gracey on Sept. 13, 1945, with the purpose of evacuating the Japanese and restoring order in the country. The French Government cooperated in this SEAC-mission, and further despatched forces for the purpose of taking over control of Indochina which previously was wrested step by step from France by the invading Japanese Army. The military Commander of the French forces was General Le Clerc, and the new High Commissioner was Admiral d'Argenlieu. The extremist Viet-Minh party was declared illegal, and the French control was quickly restored in the South, with Saigon as headquarters. The merchant community of Indochina was supporting the French Govt., and all circles opposed to radical social reforms in the country were rallying behind the French. The withdrawing Viet-Nam gov't. were, by force of circumstances, developing into a social revolutionary force, using the national liberation slogan for propaganda purposes.

The Chinese army, which was charged by SEAC to occupy Indochina north of the 16th parallel for the purpose of evacuating the Japanese army, was, besides being engaged in individual acquisitions of money and goods, interested in preparing the ground for future Chinese economic and political penetration. In this, however, the Chinese commanders found themselves violently opposed by Viet-Namese who, on the other hand, because of the strong anti-French attitude which the Chinese army took, profited from the presence of Chinese troops as the re-occupation of French forces was thus precluded.

With headquarters in Hanoi, the Viet-Nam gov't. developed its forces and strategy. A guerrilla group was set up for operation in the French-controlled South, which was led by Tran Van Giau. Supposedly popular elections were carried out by Viet-Nam which led to the establishment of another Viet-Nam gov't., under complete control of the Viet-Minh party of which now Ho Chi Minh had become the president. The highest legislative body, the National Assembly, was completely dominated by Ho Chi Minh's party. The Committee of National Defence of the new Viet-Nam Gov't., the most important organisation in a war-torn country, was given to a close associate of Mr. Ho, the Communist leader Vo Nguyen Giap.

France-Vietnamese Agreements

In order to obviate further hostilities, France and Viet-Nam signed on March 6, 1946, a convention in Hanoi in which the new republic was recognised with its own army, parliament, financial administration, but as an integral part of the Indochinese Federation within the French Union. This convention brought about better relation between the French and the Viet-Minh led new republic, and the evacuation of Japanese forces could be speeded up who until that day were, to a considerable number, still in Viet-Nam.

Another great boon for Indochina was the joint Franco-Vietnam pressure on the unruly Chinese army to withdraw since the presence of Chinese troops had developed into much oppression of the natives and vast corruption by the undisciplined Chinese troops.

Negotiations between the French and Viet-Nam were carried on in Dalat (April 19-May 11) but many questions of constitutional technicalities complicated the progress of these negotiations. The disposition of seats at the future Federation of Indochina and the exact position of the French High Commissioner were argued without leading to a mutually satisfactory conclusion. The French meanwhile consolidated their position in Laos and Cambodia and made much progress in Cochinchina where, on June 2, a provisional gov't. was established with Dr. Nguyen Van Thinh as president. Further conferences were held between French and Viet-Nam representatives at Fontainebleau (July 6-Sept. 15), with Mr. Max Andre, Director of the Banque de l'Indochine, as chairman. On Sept. 14, 1946 a Franco-Vietnam agreement was signed which was to form the basis of peace in Indochina. The following is a summary of this agreement:—

1. Viet Nam nationals in France and French nationals in Viet Nam are to enjoy equal rights of residence, business, education, freedom of movement and freedom of expression, and all democratic liberties.

2. Equality of status for French property and enterprises in Viet Nam, and for Viet Nam enterprises in other parts of the French Union, is guaranteed, especially as regards taxation and labour legislation. All French property in Viet Nam is to be restored to its rightful owners.

3. French schools shall be permitted to function freely in Viet Nam, and will be open to Viet Nam pupils. French nationals shall be free to engage in scientific research in Viet Nam, and Viet Nam nationals shall have the same privileges in France.

4. In obtaining technicians and experts, the Viet Nam government agrees to give priority to French nationals.

5. The Indo-Chinese piaster issued by the Bank of Indo-China is to be used as the sole legal currency in Viet Nam and in other territories of Indo-China, pending the creation of a special Bank of Issue. The piaster falls within the franc area.

6. Viet Nam and the Indo-Chinese Federation are to form a single Customs Union; no internal customs barriers shall exist; and the same tariffs shall apply everywhere in Indo-Chinese territory.

7. A mixed Committee will study methods for the restoration and improvement of all forms of communications between Viet Nam and other countries of the Indo-Chinese Federation.

8. A mixed Franco-Viet Nam Commission will determine arrangements for the consular representation of Viet Nam in neighbouring countries, pending agreement concerning the manner in which Viet Nam shall carry on diplomatic relations with other countries.

9. All hostile and violent acts by each party against the other will cease; political and other prisoners taken by both sides during the recent conflict are to be released; and parties pledge to work to prevent any further attacks by one group against the other. An official, designated by the Government of Viet Nam and approved by the French Government, shall be accredited to the High Commissioner to establish the cooperation necessary to the execution of the present agreements.

10. The Governments of France and Viet Nam agree to seek the conclusion of special agreements on all possible questions with a view to paving the way to a final general treaty. For this purpose, negotiations will be resumed not later than January 1947.

However two issues, viz. the status of an independent Viet-Nam within the Indochinese Federation, and the procedure regarding the referendum in Cochinchina remained to be settled. Ho Chi Minh made a significant statement on Sept. 14, in which he said inter alia: "Viet-Nam decided to facilitate the revival of French economic interests in Viet-Nam, in return for a promise that democratic liberties will be applied in Cochinchina. France is extremely interested in maintaining her influence in the world. There could be no better instrument for this peaceful expansion than the French Union which the Viet-Nam will be one of the first to join."

The eagerness of the leaders of Viet-Nam to cooperate with France has never been questioned, and since France of to-day develops into one of the most progressive countries in the modern world, the radicals and Communists of Viet-Nam prefer union with France to any other proposition, including absolute independence.

Unfortunately, an incident which started at Haiphong (where the French were setting up a Customs House for the control of trade) flared up into some fighting between Viet-Nam soldiers and the French on the spot. Fighting first occurred on Nov. 19, 1946, and has since (Dec. 19) developed into larger proportions in certain areas in the North of the country.

THE ECONOMIC POSITION OF INDOCHINA

The agricultural and mineral wealth of Indochina is enormous and, given internal peace and efficient administration, development of natural resources should enable the country to attain a high degree of material prosperity. The most important export items of Indochina are rice, maize and rubber, followed by cotton, sugar, all kinds of seeds, tobacco, spices, coffee, tea, ramie, silk, etc. The mineral wealth of the country is best expressed in the prewar coal production figures of about 2 million tons annually, of which over 1.4 million t were exported. Extensive mineral deposits, which were only in an initial development process in the years prior to the Japanese occupation of Indochina, include gold, silver, tin, copper, lead, antimony, zinc, wolfram ore etc. In forestry and the export of very large quantities of timber, Indochina possesses another great source of wealth.

Below will be found statistical data relating to Indochina's prewar and present financial, foreign trade and rice and rubber (the principal produce) positions. The progress achieved so far, under insecure and intermittent warfare conditions, is encouraging. Statistics for the periods of January/December 1946, and January 1947, apply only for the peaceful states of Cochinchina, Cambodia and Laos.

The industrial potential of the country cannot be overestimated although much will depend, apart from return of peaceful and orderly conditions, on technical ability, sufficient capital investment and a well-planned, centralised industrial control. The industrial potential of the country is largely situated in the northern part which is, since several months, exposed to disorders and local fighting between the French Government and the Viet-Minh led army groups of Viet-nam. Much sabotage of mines and factories has been perpetrated and transportation is very insecure. Besides the regular war operations in the North, there are a number of armed bands prowling in the country which loot and live on the country people. It is often these bandits who commit crimes which then are blamed on the Viet-nam military although many atrocities have been recorded for which only they are responsible.

Industrial production in the pacified Southern areas is advancing. The manufacture of rubber goods, soap, ceramics, the operation of distilleries and an oxygen-acetylene plant are slowly returning to normalcy. Coal production in the North, with which the French company of Charbonnages de Tonkin has been identified, is progressing in the face of a number of sabotage works in most of the mines. The monthly output of coal by this company will by now have reached over 30,000 tons per month from the Hongay mines, and over 5,000 tons from Maokhe.

It appears that much confidence is now prevalent in Hanoi and Haiphong regarding an early settlement of the questions which still keep the French and Vietnamese from co-operating. Until such settlement is reached economic developments in the North of Indochina, and to some extent in adjoining parts of the country, will be dominated by war or guerrilla conditions.

The Indochina Piaster

The currency of Indochina, also known as Indochina dollar (I.C.\$), has been fixed in terms of the French (or Metropolitan) franc and world currencies. The currency position was reviewed in our previous issue, page 134, while some references will be found elsewhere in the current issue. The new exchange rate between French franc and I.C.\$ has come into force as from December 24, 1945.

The French Government has allocated a large quantity of consumer and capital goods for export to Indochina during the current year. The amount of such exports for the first six months of 1947 will exceed US\$36 million. The purchasing power of I.C.\$ will thus be enhanced and the value of the currency of Indochina, in spite of the many afflictions of the past, will be increasingly consolidated.

Foreign Trade Developments

The Foreign Trade of Indochina in 1946 could only be recorded as far as three of the

constituent parts of Indochina, viz. Cochinchina, Cambodia and Laos, were concerned. Statistics for December 1946 and the year 1946 were as follow:

	December 1946		Year 1946	
	Quantities (metric tons)	Value (French fr.) (Millions)	Quantities (metric tons)	Value (French fr.) (Millions)
Cochinchina				
Imports	11,086	599	143,167	4,838
Exports	45,720	1,668	247,685	10,712
Cambodia				
Imports	1,444	12.4	4,235	91
Exports	132	3.8	6,481	89
Laos				
Imports	13.7	2.7	249	13
Exports	43	4.6	159	16
Foreign Trade Balance—Total:				
Exports: French Frcs	December 1946 1,676 million		Year 1946 10,817 million	
Imports: French Frcs	614		4,042	
Favourable Balance	1,062 million		5,875 million	

A total of 136,000 tons of rubber were exported in 1946 although ample stocks in the country would have permitted of even heavier shipments abroad. Coal exports aggregated 113,000 tons. Rice, which was to be stocked up for the reserve requirements of the population, was only exported to an amount of less than 100,000 tons.

After 5 years of isolation it is no wonder that the Indochinese were trying to purchase abroad a variety of goods of which they were deprived previously. With shipping conditions returning to normal, Saigon handled a large trade in 1946. The leading import items in 1946 were: textiles and piece goods with 27% of the total import value, motor cars and accessories 6.4%, machinery and tools 6.5%, chemical products 3.7%, metals 4.3%, rubber tyres 3.3%, jute bags 8.7%; and large amounts of medicines, paper, wines & liquors, etc. These figures apply only to imports effected through Saigon since the port of Haiphong was not under French control throughout the whole year of 1946.

A large, unrecorded trade with North Indochina has been carried on, in which China, Macao, Hongkong and other countries took active part. Of exports, through Saigon, rubber represented 71.5% of the total value, followed by rice with only 9.5%, maize 8.6%, and kapok, dried fish, fruits, flour etc.

The favourable trade balance of Indochina for 1946, viz 5.8 billion francs, was partly due to the accumulation of stocks in the country from previous periods. The outlook for 1947, as far as a favourable trade balance is concerned, cannot be regarded as too promising; economists in Saigon predict even, on account of heavy demands for imported goods, a slight trade deficit for the current year. The principal suppliers of goods from abroad were France and U.S. who also were Indochina's biggest clients. Over 90% of exports were made to France and U.S.

Hongkong's Share in Trade with Indochina

In our issue of January 29, page 57, Hongkong's detailed 1946 trade returns with Indochina were published. The Colony imported goods valued HK\$ 59 million, and exported produce and goods valued over \$32 million. In previous years Hongkong exported to Indochina per month about 3,000 tons of goods, valued at French frs. 14 million; however, during January 1947, according to the Indochina statistics, relating to three constituent parts of the Indochinese Federation only, about 300 tons of goods were shipped from the Colony to Saigon, which valued (in inflated French currency) 17 million. In previous months, viz last October, November and December trade was more active, and values for these 3 months amounted to francs 110, 53 and 31 million respectively.

Hongkong's imports from Indochina, according to Saigon statistics, while averaging in 1939 per month over 54,000 tons, valued at Fr. frs 26 million, totalled in January 1947 some 5,000 tons, valued in francs over 67 million. It must be noted that not all of exports and imports declared here as destined for Indochina or declared as coming from Indochina have been recorded by the French authorities; the considerable and organised smuggling trade and the irregular conditions prevailing in the Northern parts of Indochina preclude the compilation of exact statistics.

Saigon's Trade in January 1947

A total of 14,100 tons of cargo, valued at frs 776 million, were imported into Cochinchina, Cambodia and Laos (against 12,500 tons, valued frs 614 million last December). Exports aggregated 38,050 tons, valued frs 1,697 million (against 45,800 tons, valued frs 1,677 million in the preceding month). Among the principal imports were: 2,500 tons of sugar, 2,700 tons of gasoline and liquid oil, 1,000 tons of sulfate of ammonia, a large number of motor cars and trucks. Exports were, as usual, rubber, rice and maize (exact quantities will be found in table of statistics below).

STATISTICS OF THE INDOCHINESE FEDERATION

Exchange Rates; Foreign Trade (Imports, Exports, Principal Exports); Prices of Paddy and Rubber.

For the years 1938 and 1939 statistics apply to the whole of Indochina; since January 1946 statistics include only the two constitutional monarchies of Cambodia and Laos (autonomous states within the Indochinese Federation), and Cochinchina (which remains at present under French protection pending the holding of a popular referendum).

DESIGNATION	UNITS	1938	1939	1946				
		Monthly	Average	January	October	November	December	January
1.—EXCHANGE RATES AT SAIGON								
Paris (I. C. \$ or Piastre)	Franc	10.00	10.00	17.00	17.00	17.00	17.00	17.00
London (£)	I. C. \$	17.17	17.75	28.34	28.37	28.37	28.40	28.40
New York (U. S. \$)	"	3.52	4.01	7.03	7.04	7.04	7.05	7.05
Hong Kong (H. K. \$)	"	1.07	1.10	1.78	1.78	1.78	1.79	1.79
Singapore (Str. \$)	"	2.00	2.08	3.33	3.34	3.34	3.35	3.35
2.—FOREIGN TRADE								
A.—IMPORTS								
Total Tonnage	1,000 T.	41.0	48.9	6.2	34.3	24.2	12.5	14.1
France	"	10.4	15.6	0.7	1.9	1.8	3.4	4.5
Fr. Empire	"	1.7	2.1	0.5	3.0	0.1	—	2.7
U. S. A.	"	2.4	2.4	4.2	4.8	6.5	2.5	0.8
India	"	1.3	2.0	0.4	0.7	9.4	—	0.1
Hong Kong	"	3.8	3.0	—	1.4	0.9	0.3	0.3
N. E. I.	"	7.4	9.0	—	20.9	3.8	2.7	2.7
Total Value	One Million Francs	160	200	155	1,105	760	614	776
France	"	85	111	32	468	261	374	504
Fr. Empire	"	7	7	32	51	8	1	69
U. S. A.	"	9	8	78	185	153	124	66
India	"	5	10	8	34	55	13	6
Hong Kong	"	12	14	—	110	53	31	17
N. E. I.	"	7	9	—	135	21	16	14
B.—EXPORTS								
Total Tonnage	1,000 T.	332.7	391.9	20.3	35.0	14.6	45.8	38.1
France	"	110.3	80.0	12.3	4.2	1.7	16.7	4.3
Fr. Empire	"	11.6	14.7	—	5.4	2.2	14.8	—
U. S. A.	"	2.5	3.6	7.8	9.2	0.7	—	—
Hong Kong	"	47.0	54.4	—	2.1	0.3	3.7	5.1
Singapore	"	11.8	14.2	—	5.9	5.9	6.7	8.3
China	"	41.1	55.8	—	6.8	1.5	2.8	15.7
Total Value	One Million Francs	237	291	996	1,111	332	1,677	1,697
France	"	112	84	684	331	72	1,215	1,081
Fr. Empire	"	14	14	—	63	34	220	10
U. S. A.	"	21	35	409	489	39	—	4
Hong Kong	"	23	26	—	29	13	31	67
Singapore	"	23	30	—	80	112	113	127
China	"	6	14	—	89	21	44	208
C.—PRINCIPAL EXPORTS								
Rice	1,000 T.	87.8	132.2	—	20.2	12.2	27.5	32.8
Rubber	"	4.8	5.7	20.0	12.5	1.2	16.1	4.9
3.—PRICES								
Paddy (Cholon)	I. C. \$ per 100 kgs.	6.61	5.56	—	32	32	32	51.70
Rubber, FOB Saigon (R.S.S. No. 1)	I. C. \$ per ton	1,016	1,330	—	3,629	3,629	3,629	3,629

Hongkong's Trade in February

Imports of merchandise into Hong Kong during the month of February, 1947 amounted to a declared value of \$82,557,394 as compared with \$39,749,815 in the month of February, 1946.

Exports of merchandise totalled a declared value of \$70,993,321 as compared with \$22,150,291.

Imports during the first two months of 1947 amounted to a declared value of \$187,963,603 as compared with \$87,310,345 in the first two months of 1946.

Exports totalled \$173,585,144 as compared with \$45,489,885.

No cognizance has been taken in the following tables of Government sponsored cargoes.

Gold & Silver Trade

Total imports, including treasure, during February valued \$100,972,553, and total exports, including treasure valued \$93,006,912. Gold imports valued \$18,415,159; from Mexico gold shipments valued \$6,994,500, and from U.S. valued \$11,420,659. Exports of gold to Macao valued \$17,594,131. Silver exports during the month of February were only effected to India, value of these shipments aggregated \$4,419,460.

TOTAL VALUES OF IMPORTS & EXPORTS

BY COUNTRIES.

Countries.	Imports from Merchandise.	Exports to Merchandise.
United Kingdom	2,293,861	1,611,715
Australia	776,855	318,498
Burma	—	49,566
Canada	993,168	14,487
Ceylon	16,530	112,156
East Africa	—	—

Countries.	Imports from Merchandise.	Exports to Merchandise.	BY GROUPS OF MERCHANDISE AND TREASURE.	Imports.	Exports.
India	8,184,107	668,165	Articles.	\$	\$
Malaya (British)	6,325,796	14,954,486	Animals, Live	2,307,300	—
New Zealand	4,800	72,751	Building Materials	699,357	256,582
North Borneo	215,492	222,903	Chemicals and Drugs	3,261,722	2,460,930
South Africa	435,490	390,285	Chinese Medicines	1,587,195	1,802,882
West Africa	—	3,605	Dyeing and Tanning	—	—
West Indies	—	4,064	Materials	2,124,994	1,608,483
British Empire, Other	877	107,096	Foodstuffs and Provi-	—	—
Belgium	2,177,987	488,021	sions	10,644,061	10,306,575
China, North	1,338,010	3,220,565	Fuels	981,318	83,870
" Middle	2,215,932	2,675,101	Hardware	448,124	574,595
South	22,116,630	12,119,770	Liquors, Intoxicating	1,273,823	492,605
Cuba	—	18,400	Machinery and Engines	313,259	113,390
Central America	—	15,763	Manures	9,115	344,159
Denmark	—	98,375	Metals	2,937,767	3,726,912
Egypt	24,747	634,967	Minerals and Ores	21,000	783,143
France	810,516	311,348	Nuts and Seeds	1,110,862	850,130
French Indo China	882,919	1,194,007	Oils and Fats	17,248,775	16,741,080
Germany	—	84,467	Paints	778,519	494,947
Holland	1,600,671	592,703	Paper and Paperware	5,739,735	2,784,582
Italy	684,080	18,133	Piece Goods & Textiles	13,953,360	11,227,323
Japan	—	162,711	Railway Materials	—	—
Kwong Chow Wan	392,901	3,911,078	Tobacco	1,887,332	750,559
Macao	6,739,510	162,262	Vehicles	1,202,639	316,467
Norway	1,538,613	1,260,669	Wearing Apparel	606,236	2,234,579
Netherlands East Indies	762,488	2,305,296	Sundries	13,419,101	13,039,528
Philippines	831,697	15,000	Total Merchandise	82,557,394	70,993,321
Portugal	173,729	8,801,933	Treasure	18,415,159	22,013,591
Siam	1,666,335	44,384	Grand Total	100,972,553	93,006,912
South America	233,500	270,533			
Sweden	359,680	5,408			
Switzerland	4,785	150			
Spain	18,307,496	11,879,115			
U.S.A.	—	1,482,000			
U.S.S.R.	436,752	691,185			
Others	—	—			
Total	82,557,394	70,993,321			
Total British Empire	19,246,976	18,529,977			
Foreign Total	63,310,418	52,463,344			

HONGKONG'S SHIPPING IN FEBRUARY

February's shipping returns were, contrary to previous expectation, highly satisfactory considering that the month had 3 days less than January, and that trading with China, in consequence of the strict import control enforced by that country, has been on the decrease. The total tonnage which entered and cleared during February amounted to 1,048,907, of which ocean going shipping accounted for 987,555, and river going shipping for 61,352. The total number of passengers which entered from and cleared for abroad aggregated 82,680. January returns, the by far largest since the end of the war, totalled over 1.3 million tons, while December tonnage aggregated 1,110,732, the record for 1946.

Conspicuous was the share of American shipping which amounted to nearly 25 percent; 21 U.S. ships entered and 19 ships departed from Hongkong. The remarkable recovery of Netherlands shipping has been previously noted; during February Dutch shipping accounted for 8 arrivals and 11 departures, most of the ships having been large vessels. The prominent part played in prewar by Netherlands shipping, renowned for the best cuisine and luxury, is now going to be re-enacted, and, with the opening up of trade and communications in the Netherlands East Indies, Dutch shipping will further increase.

Of other European shipping Norwegian vessels were next in prominence. Panamanian flags are during recent months more prominent in Far Eastern waters. One Soviet ship arrived here, bringing 6 passengers, and sailed, taking with it a large shipment of tin to the USSR. As a curiosity, it deserves to be noted that one ship sailing under the Honduras flag arrived here; several Central European republics have, like so many other countries, acquired from the U.S. large ships with which they now engage both in inter-American and world-wide shipping.

On their departure, a total of 184 ocean going ships took with them 11,879 tons of bunker coal and 15,062 tons of bunker oil; 61 river steamers bunkered here 1,061 tons of coal and 25 tons of oil; the total of bunker coal amounted to 12,940 tons, and of bunker oil to 15,087 tons.

ARRIVALS

FLAG	Ocean Steamers No.	Tonnage	River Steamers No.	Tonnage	TOTAL No.	Tonnage	Cargo River Steamers	Passengers River Steamers	Passengers Ocean Steamers	Passengers TOTAL
British	87	223,493	53	28,473	140	251,966	4,366	22,608	13,540	36,148
American	21	109,607	—	—	21	109,607	—	—	3,974	3,974
Canadian	2	8,591	—	—	2	8,591	—	—	—	—
Chinese	37	35,690	8	1,080	45	36,770	281	509	2,145	2,654
Dutch	8	34,000	—	—	8	34,000	—	—	4,002	4,002
French	1	7,391	—	—	1	7,391	—	—	356	356
Honduras	1	5,667	—	—	1	5,667	—	—	3	3
Norwegian	12	26,219	—	—	12	26,219	—	—	648	648
Panamanian	9	20,756	—	—	9	20,756	—	—	43	43
Portuguese	1	216	—	—	1	216	—	—	—	—
U. S. S. R.	1	2,255	—	—	1	2,255	—	—	6	6
Swedish	2	5,693	—	—	2	5,693	—	—	4	4
Philippine	2	2,557	—	—	2	2,557	—	—	133	133
Total Foreign	97	258,642	8	1,080	105	259,722	281	509	11,314	11,823
Total	184	482,135	61	29,553	245	511,688	4,647	23,117	24,854	47,971

DEPARTURES

FLAG	Ocean Steamers No.	Tonnage	River Steamers No.	Tonnage	TOTAL No.	Tonnage	Cargo River Steamers	Passengers River Steamers	Passengers Ocean Steamers	Passengers TOTAL
British	89	243,252	55	30,584	144	273,836	5,159	16,249	11,074	27,323
American	19	104,967	—	—	19	104,967	—	—	1,769	1,769
Canadian	2	8,591	—	—	2	8,591	—	—	—	—
Chinese	40	32,468	9	1,215	49	32,468	342	108	1,224	1,332
Dutch	11	37,258	—	—	11	37,258	—	—	3,386	3,386
French	1	7,391	—	—	1	7,391	—	—	292	292
Honduras	1	5,667	—	—	1	5,667	—	—	2	2
Norwegian	16	34,354	—	—	16	34,354	—	—	495	495
Panamanian	6	17,332	—	—	6	17,332	—	—	24	24
Portuguese	1	216	—	—	1	216	—	—	—	—
U. S. S. R.	1	2,255	—	—	1	2,255	—	—	—	—
Swedish	3	9,112	—	—	3	9,112	—	—	—	—
Philippine	2	2,557	—	—	2	2,557	—	—	75	75
Total Foreign	103	262,168	9	1,215	112	263,383	342	108	7,278	7,386
Total	192	505,420	64	31,799	256	537,219	5,501	16,357	18,352	34,709

